tial centres/villages for opening of additional rural branches in the respective service areas of their rural branches. On the basis of centres identified by the banks and recommended by the concerned State Governments, 264 centres were allotted to banks for opening of their branches in various States. Further, fresh proposals for opening of additional rural branches at centres/villages falling within the service area of the applicant banks and which are duly recommended by the concerned State Governments are also considered by RBI. Due weightage is given to the special needs of backward/hilly tribal/sparsely populated areas. Information regarding district-wise branches opened/allotment made in rural areas under the branch expansion plan 1990-95 is being collected and will be laid on the Table of the House to the extent possible.

(d) Presumably, the Hon'ble Member refers to the steps taken to improve the Regional Rural Banks (RRBs) in the country. With a view to improving the viability of RRBs in the short term, a package of measures were announced by RBI in December 1993. 49 RRBs have been identified for comprehensive restructuring during 1994-95 as announced in the Budget Speech of the Finance Minister on 28th February, 1994. The experience with these 49 RRBs will guide the approach in later years to the other RRBs. The objective is to transform presently weak and ailing RRBs into financially viable and effective instruments of decentralised rural banking.

Further, RBI has allowed in January 1995 the RRBs to make investment of their non-SLR surplus funds in specified profitable avenues after meeting their target group and service area obligations. With a view to increase the avenues for expansion of credit, RRBs have been permitted to deploy a part of their surplus non-SLR funds in the credit portfolio of their sponsor banks through non-risk sharing participation certificates to be issued by the latter.

Impact of new Economic Policy on rural economy

84. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have analysed the impact of new Economic Policy on rural economy, particularly on the farmers; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Growth in agricultural production and incomes has been quite good in recent years. Agricultural crop production rose by 4.1 per cent in 1992-93 ,and 2.2 per cent in 1993-94 and is again estimated to have increased by 2.2% in 1994-95. There has also been a massive increase in the Central Plan allocation for Rural Development to Rs. 7010 crores in 1994-95 Budget. However, it is too early to assess the impact of the new economic policy on the rural economy.

Opening of new bank branches

85. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to open new branches of banks during the current year of 1994-95; and

(b) if so, the State-wise details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Under the Branch Expansion Programme (BEP) for 1990-95 year-wise targets are not allotted to banks for opening branches. However, under the Branch Expansion

Programme (BEP) referred to above, the proposal for opening of branches at rural centres identified by the banks within their service area and received through the concerned State Government duly recommended are considered by Reserve Bank of India (RBI) on merit. On this basis, Reserve Bank of India (RBI) has allotted 264 centres to banks for opening their branches in rural areas. As regards, semi-urban centres, the banks have freedom to open branches at the centres of their choice within the quota allotted to them on all India basis. No Statewise quota has been allotted for the purpurpose of opening branches at semi-urban centres. Reserve Bank of India (RBI) has reported that it has allotted 1290 semi-urban centres for opening of branches in the country. In respect of Urban/Metropolitan/Port Town centres, allotments are made on the basis of centres identified by the Working Groups constituted at Regional Offices of Reserve Bank of India (RBI). As per information received from Reserve Bank of India (RBI), 985 centres have been allotted to banks by Reserve Bank of India in the country for opening branches in such areas. Under the current Branch Expansion Programme (BEP), banks have freedom to open specialised branches viz. Industrial Finance, Overseas, SSI/SIB, NRI Treasury branches etc. after ensuring adequate business at the centre. Such proposals are not required to be referred to Reserve Bank of India for approval. Proposals other than these which do not conform to Reserve Bank of India (RBI)'s norms for specialised branches are, however, to be referred to RBI for prior approval. The banks are required to open the branches at the allotted centres by the end of Branch Expansion Programme (BEP) 1990-95 i.e. 31st March, 1995. However, the opening of branches at the allotted centres is subject to availability of basic infrastructural facilities like availability of suitable permises, all weather roads, tele-communication centres etc.

Import of consumer goods

86. SHRI GUNDAPPA KORWAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government propose to liberalise import of consumer goods under the instructions of World Bank; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Review of the Export and Import Policy is an on-going and continuous process and changes are made from time to time as and when considered necessary.

Modified value-added tax

87. DR. NAUNIHAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a massive scam in which premier industries in the Hosur industrial area (Karnataka) took advantage of the modified Value added Tax (MODVAT) to cheat the Excise Department has been busted; if so, the details thereof and the amount involved; and

(b) what steps have been taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) The detections indicated that in these cases Modvat credit had been availed of, *inter-alia*, on inputs/documents which were not covered by the legal provisions. The estimated amount of Modvat credit taken wrongly or irregularly is approximately Rs. 1.9 crores. These cases are under investigation or adjudication.

(b) Special Modvat audits and more intense anti-evasion checks are being organized to detect evasion of duty by unscrupulous assessees. Simul-